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C O N F I D E N T I A L SECTION 01 OF 04 YEREVAN 000772

SIPDIS

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AJ, AM

SUBJECT: NAGORNO-KARABAKH: EXPANDING THE SPACE FOR
COMPROMISE

REF: A. YEREVAN 662

[B.](#) BAKU 776

[C.](#) YEREVAN 742

Classified By: CDA Joseph Pennington, reasons 1.4 (b,d).

¶11. (U) This is a joint cable from Embassies Baku and Yerevan, and an action request. See paragraph 13.

¶12. (C) SUMMARY: As reported in reftels, the Azerbaijani, Armenian, and Nagorno-Karabakh (NK) societies are in no mood at present to swallow the tough compromises that will be necessary for resolution of the NK conflict. Armenian President Sargsian recognizes that appearing to give away too much on NK could bring an end to his presidency, as it did with former president Levon Ter-Petrosyan (ref A). Azerbaijani President Aliyev knows that any agreement on NK short of Armenian capitulation is the one thing that could disrupt his grasp on power and bring protesters into the streets (ref B). NK authorities are a model of obstinacy and inflexibility. In this political atmosphere, the work to be done beyond the negotiating table in preparing societies for peace, i.e., track II initiatives, could prove critical both in expanding the space for compromise for Azerbaijani and Armenian leaders, and in ensuring that any agreement reached at the table can survive the light of day. END SUMMARY

CREATING DEMAND FOR PEACE

¶13. (C) Embassies Baku and Yerevan believe that an aggressive, creative, and comprehensive effort to build constituencies for peace in these societies, under the aegis of the Minsk Group, should complement the ongoing negotiation efforts. It would not be an easy task. The Minsk Group process to resolve the NK conflict has largely been a closed, elite-level affair. The regimes in Baku and Yerevan have maintained tight monopolies on the management of the peace process and information about its contents. Moreover, to varying degrees, authorities have stoked nationalist sentiment and antipathy, in many cases openly resisting efforts to lower the tensions between the parties to the conflict. In Baku, the government routinely opposes confidence-building measures as they believe this will undermine Azerbaijani efforts to blockade and isolate Armenia. Yet absent an external push to expand the dialogue about the future of NK and to create demand in the region for reconciliation, renewed hostilities over NK may become a more likely outcome than peaceful resolution.

¶4. (C) We need to encourage broader societal discussion of what peace might look like, the compromises it might involve, and the benefits it could bring. We should maintain a healthy skepticism of international fora where the usual conference hoppers hold forth on their preferred configuration for the Lachin corridor or the composition of peacekeeping forces. But we do need to get people talking about sensitive subjects, like how Karabakhis would integrate returning Internally Displaced Persons (IDPs) from Azerbaijan. We need to find ways to challenge assumptions in Armenia, NK, and Azerbaijan that the resumption of armed conflict would play out according to the best case scenarios on either side. We should marshal available resources to identify and articulate the economic costs of regional fragmentation and isolation. And we need to help these societies imagine a future characterized by economic and social integration, not just in the region, but of the region with Euro-Atlantic institutions.

SHOWCASING THE FUTILITY OF WAR

¶5. (C) One of the more disturbing aspects of the standoff over NK, which contributes significantly to the intransigence of the antagonists, is the faith on both sides in a military solution to the conflict. A number of factors make the resumption of hostilities in the short term unlikely; however both countries have made dangerous core assumptions about the military situation that influence their political approaches. Azerbaijan believes it is inevitable that its arms buildup, bankrolled by oil exports, will produce an overwhelming military advantage that will either enable the recovery of

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the territory by force or induce Armenian capitulation. By contrast, the Armenians and Karabakhis are supremely confident that their terrain advantages, Russian support and troops on their territory, and superior morale guarantee them an easy victory, should the Azerbaijanis try anything.

¶6. (C) While the military balance in NK offers little hope in reality for a successful attack by Azerbaijan, both countries' assumptions about the military situation and their penchant for ratcheting up the war rhetoric are dangerous. In contrast to the early 1990s, the three armed forces (Azerbaijani, Armenian and NK) are larger, much more heavily armed, and dug into solid, well-prepared positions. A second Karabakh war would likely prove to be far more destructive than the first, and any "victory" won by Armenian and NK forces would be difficult to distinguish from a devastating defeat in its physical effects. Both governments discount or overlook these factors, and this denial carries over into their efforts to shape public opinion on NK. Perhaps a formal, readable study from a respected U.S. institution such as the Army War College, Rand Corporation or the Center for Naval Analyses of the likely devastating physical effects of a renewed NK war on both sides in various scenarios, that could be insinuated into local media (perhaps by publication in Russian in a third country) could spur officials and the public to question the almost cavalier attitudes all sides of the military equation seem to share.

DEVELOPING CHAMPIONS OF INTEGRATION

¶7. (C) As a tangible objective, over several years the international community should seek to develop a thousand supporters for a negotiated settlement in the three communities. We should think in terms of expanding the ranks of those who understand that compromise does not mean the complete capitulation of one's adversary; who appreciate and can articulate the opportunity costs of the status quo and the benefits of reconciliation. We should engage journalists, civil society representatives, emerging youth leaders, former combatants from both sides, and other opinion leaders, promote cross-border exchanges (in third countries

if necessary) and equip these advocates with the information and training to argue the case for negotiated settlement and integration. And we should develop and extend media freedom projects to ensure that the voices of these advocates can be heard.

¶8. (C) Track II projects exist, but their scope is narrow and their public impact is minimal. Baku and Yerevan PD Sections have over the past three years jointly supported efforts of the Imagine Project to bring U.S.-based exchange students from the two countries together to talk through the issues and seek common ground. With some \$80,000 in annual funding, Imagine has created a small network of alumni who continue dialoguing across the closed border. Project Harmony, with ECA funding, is in the middle of a two-year project dubbed "dot.com," which created three-way blogs among Armenia, Azerbaijan and the United States, and includes meetings among small groups of high school age students. More youth and cultural exchange projects are in the planning stages, but concerns on the part of would-be Azerbaijani participants that their activities could be condemned have kept most of this in the shadows.

LOWER THE TEMPERATURE

¶9. (C) In addition to nurturing vocal proponents of reconciliation, we should take steps to reduce tensions among the broader populations. Support for creative media -- whether cross-border talk shows, radio diaries of people who have suffered from the conflict, or documentaries capturing pre-hostility stories of Azerbaijani-Armenian friendships (to mention a few ideas in circulation) -- could help in humanizing adversaries. Joint efforts by the Armenian and Azerbaijani Ministries of Education to find mutually acceptable formulations for certain parts of their joint history could foster mutual understanding among students. We should encourage steps to reduce mutual isolation. Convincing both governments to ease some travel restrictions between Armenia and Azerbaijan, perhaps starting with

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official travel, could be an important, though manageable, step toward normalization. Azerbaijani restrictions on mail, telecoms, and travel prevent what little demand there is currently for communication between the two societies. An easing of these strictures could help. We should encourage "sports diplomacy" -- soccer matches, judo tournaments (ref C) -- as a means to bridge the political divide through athletic competition.

OPENING KARABAKH TO INFORMATION FROM THE OUTSIDE

¶10. (C) Azerbaijan would be loath to endorse any international effort to promote the development of Karabakh. Existing U.S. humanitarian assistance comes under regular sharp criticism. Instead, we recommend that the international community be encouraged to involve Karabakhis in conferences, trainings, virtual communities and exchanges that put them in contact with the rest of the world. This should not necessarily be limited to encouraging contact with Azerbaijanis, but rather, should be aimed at helping them to be exposed to ideas and decision-makers from the region and beyond. For many years there have been exchanges specifically targeted at the Abkhaz community for this same purpose. One infrastructure project that the international community should promote in Nagorno-Karabakh, even over the loud objections of the Azeris, is reliable telephone and internet connections. Contrary to the Azeri strategy, the current isolation engenders not greater sympathy for a return to Azerbaijani rule, but instead ungrounded expectations about NK's viability as a potential independent state.

THE LONG VIEW

¶11. (C) We are not naive about the prospects. A looming obstacle to any of the expanded engagement we are advocating will be hostility from the ruling regimes. The fact that Aliyev considers NK's and Armenia's isolation a strategic point of leverage will prove particularly problematic, as will the perceived benefit he derives from the IDPs' continued visible victimization. But should Ambassador Bradtke and the other Co-Chairs, in their interaction with Aliyev, Sargsian, and NK "President" Sahakian, find the right angles to secure acceptance of (or at least openness to) such confidence-building measures, our missions stand ready to focus our collective energies in support of Minsk Group track II objectives.

¶12. (C) There is virtue in optimism, but we should also recognize that the NK conflict could remain frozen for many years. One advantage to an expanded approach is that we can accumulate successes along the way, short of final resolution. Progress in fostering civil society in NK, Armenia and Azerbaijan is inherently, not just instrumentally, desirable. Many confidence-building measures are also democracy-building steps, or promote fundamental human development goals. Successes on these scores advance our broader regional agenda. Moreover, a Minsk Group process that embraces societal engagement and welcomes broad dialogue would reflect the fundamental democratic values we espouse. The authoritarian leaders with whom we are engaged understandably prefer a process sharply focused on securing their assent, with limited regard for the attitudes of their populaces. For principled and practical reasons, we should aim wider.

ACTION REQUEST

¶13. (C) Our posts would welcome input from Washington offices regarding available resources, operational considerations, and creative approaches that could shape such expanded engagement.

--For EUR/ACE and DRL, what could the USG commit to confidence building measures and cross-border programming to advance our goals in the years ahead? Is there a renewed role for the U.S. Institute of Peace or one of the major conflict resolution NGOs to work as our partner?

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--For EUR/PPD, how could we best configure exchange programs and media pluralism programming to lower tensions and foster mutual understanding?

--For INR, how could intelligence community, perhaps commissioning outside analysts to produce unclassified studies, highlight the costs of isolation or undermine misconceptions about military superiority? What avenues exist for introducing analytical findings about the futility of renewed conflict into the public sphere in Azerbaijan, NK, and Armenia?

--For EUR/RUS, does NK merit a higher place on the U.S.-Russian bilateral agenda, as fertile ground for expanded cooperation?

--For EUR/ERA and EEB, what opportunities exist for engaging the EU and international donors on assistance to NK?

--For EUR/CARC, how do we ensure that our high-level messaging reinforces the importance of civil society development in fostering regional stability? Could CARC play a convening role to focus the discussion on the way ahead?

¶14. (C) POCs for this issue are Peter Andreoli (Baku), AndreoliPD@state.sgov.gov, and Bart Putney (Yerevan),

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PENNINGTON